

The logo for Mundo Minerals Limited features the company name in a bold, serif font. The word 'Mundo' is in a dark blue color, while 'Minerals Limited' is in a gold color. The logo is set against a dark blue background that also contains the date '5 July 2011' in the top right corner. To the left of the logo, there is a small, square inset image showing an industrial mining site at night with bright lights and structures.

Mundo Minerals Limited

Update on Crista Approvals Process

Definitive timeline established for resolution of National Park boundaries by 30 August 2011

HIGHLIGHTS

- **Authorities confirm that Crista lies outside the proposed Ganderala National Park boundaries**
 - **In-principle agreement reached on final boundaries, subject to finalization within maximum of 60 days**
 - **Final approvals for the Crista haul road to be sought in early September 2011**
 - **Contractor negotiations underway to accelerate haul road construction and pre-strip**
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Mundo Minerals Ltd (“Mundo” or “Company”) (ASX code: MUN) is pleased to provide an update on the approvals process for development of the new Crista open pit, located near its 100%-owned Engenho Gold Project in Brazil.

As previously advised, all mine approvals processes in the region have been suspended since November 2010 pending consideration of a proposed National Park. The Crista development requires final approval for the haulage road connecting the proposed mine to the processing facility at Engenho.

The Company’s Managing Director and advisors met this week with the President of the Instituto Estadual de Florestas (“IEF”), being the governing body of the proposed Ganderala National Park, and representatives of the Minas Gerais State Environmental Office. This was a very positive meeting and the authorities have now provided a definitive time line to resolve the boundaries of the proposed park which has been publicly gazetted.

They have also once again confirmed that the footprint of the Crista open pit lies outside the proposed National Park boundaries under two scenarios that are still to be formally approved.

The proposed boundaries have been sighted and in-principle agreement has been reached on one scenario, which excludes the Engenho Gold Project tenement and an area of approximately 500m on the north, east and west boundary. Negotiations are continuing on a second scenario which is a smaller park area but which excludes more mining activities including those owned by AngloGold Ashanti to the north of Crista and Vale to the west of Crista.

A formal timeframe has now been established which was approved on 30 June 2011 and gazetted last Friday. This timeframe comprises a 30-day timetable to formalize and release the final boundaries. If a resolution cannot be achieved, there will be a further 30 days to reach agreement. If agreement cannot be achieved within this timeframe, the in-principle boundaries will be adopted.

From Mundo Mineral’s perspective, this is an encouraging development as it now has a clearly defined timeframe within which to operate. Once the final park boundaries are known, at the latest by 30 August 2011, licensing will recommence immediately with the relevant State Government authorities whom the Company has been in continuous consultation with. This should clear the way for construction of the haul road to commence in September 2011.

The Company has commenced discussions with its civil contractors to determine an accelerated construction timeframe that will enable the Crista haulage road to be constructed prior to the onset of the wet season in November. Preliminary indications are that the revised park boundaries will not impact on future underground mining activities at Crista, as long as the portal is located outside of the park boundaries.

Mundo Minerals Ltd

Mundo Minerals' Managing Director, Ashley Pattison, said he was pleased that the Company now had a clearly defined timetable for resolution and completion of the approvals process.

"This provides our operational and development teams with clear parameters within which to operate," he said. "It also provides investors with certainty as to the timeframes for commencing development and operations at Crista, which is a pleasing development after a considerable period of delay and uncertainty.

"With this information now available, I am currently working closely with our senior management team to establish an updated company-wide production and development schedule which we anticipate releasing to the market within the next few weeks as part of a wider operational update for investors," Mr Pattison added.

The development of Crista represents a key to establishing the Engenho Gold Project as a robust economic project allowing the Company to further enhance the value of its assets in the Engenho tenement.

Crista is expected to boost production with the introduction of high-grade (~5g/t Au) low cost ore from the Crista open pit.

The development of the Crista haul road will also assist in unlocking the potential of the highly prospective northern satellite areas around Crista such as Olhos and Mazorca, located within a 1km radius of the central treatment facility.

Ashley Pattison
Chief Executive Officer
5 July 2010

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Armando Massucatto who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Massucatto is employed by Mundo Minerals Limited and is the Company Exploration Manager. Dr Massucatto has sufficient experience which is relevant to the style of mineralisation and the type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Massucatto consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.